Mr. Nelson

THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY FOR EXTENSION WORKERS AND THE STAFF BY THE BUREAU OF AGRICULTURAL ECONOMICS, U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

April 1, 1923. Vol. III, No. 4.

MODERATELY GOOD OUTLOOK FOR GOOD FARMERS

More than five million plows will be in the earth before the end of this month. More than eight million men will be at work on the land, - an army equivalent to the combined man power of Norway, Denmark, Holland, Belgium, and Switzerland. Providing food and clothing materials for America is quite a job.

Now on the threshold of a new season, agriculture shows a growing disposition to write "finis" to the period of post-war panic. It has emerged with scars, but possessed of most of the remedies that legislation could give. From now on it must apparently treat its own case.

The immediate outlook has gained in promise, on the whole, regardless of Europe. All America is at work. When men work and produce they acquire buying power. Urban prosperity is a most important factor in the present agricultural situation, even though it is a prosperity gotten somewhat at the farmer's expense.

However, informed men appear to feel that not more than two major farm products are likely to be expanded this year at a profit. These are cotton and possibly sheep. The production of wheat, beef cattle, hogs, eggs, dairy products, potatoes, fruit and tobacco has ranged close to the active market demand. Corn and hay, which are essentially farmers' raw materials, move roughly with the prices of livestock products. Such is the broad situation, though varying in local sections, and from month to month.

All of which makes the problem of individual farm management loom large. Agriculture is still at a disadvantage among the country's great productive industries. But a significant sentiment is growing among substantial farmers which was little in evidence last spring. Put plainly, it is that men who are well situated and who produce efficiently - at low cost per bushel or per pound - have at least a chance this year. It is, furthermore, that those who are too far down the scale in efficiency will hardly find salvation in cheap credit, cheap transportation, cooperative marketing, tariffs, price-fixing, nor all of these combined.

REGIONS AT A GLANCE

THE EAST - No material developments. Milk prices rather higher than year ago. Potato prices stiffened up (range from 50¢ to 65¢ bushel at station). New York State reports some movement of population away from farms and possible scarcity of labor by early summer.

THE SOUTH - Getting into action. Florida and Gulf States harvesting early potatoes and truck. Considerable damage done to fruit and truck by freezes during month. Cotton planting begun in places. Appears that the Cotton Belt is moving north and westward. South shows most marked migration of labor away from farms of any region.

CORN BELT - Beginning field work, though storms and wet soil have mostly retarded this. Young pigs and lambs suffering some from severe cold and storms. Frequent expressions of farmers suggest possibility that corn acreage may be somewhat increased. Sheep increasing; many ewe lambs picked out to save as breeders.

WHEAT BELT - Not very well satisfied with grain market outlook, but at a loss to know what else to produce. Apparently no great general damage from the storms and freezes of the month. Western part of Belt continues too dry. No little agitation in North for "fixed" prices on wheat.

RANGE COUNTRY - Stock having hard time from storms and severe cold. Lambing progressing quite generally. Southwest finally favored with some moisture and range greatly improved.

PACIFIC COAST - Getting very dry in the North, with bad effects on soil and pastures. South in good shape; harvest of citrus fruits and canning crops continues. Some possibility of farm labor shortage reported in certain sections.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending March 1, 1923.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Live-Stock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available month.

	Feb. 1913	Feb. 1922	Jan. 1923	Feb. 1923
Cotton, per lb.	¢ 11.8	15.9	25.9	27.7
Corn, per bu.	¢ 52.2	54.8	70.7	74.3
Wheat, per bu.	¢ 80.6	116.9	103.7	105.1
Hay, per ton	$ 10.61	11.80	12.12	11.96
Potatoes, per bu.	¢ 52.0	117.8	64.7	63.6
Oats, per bu.	¢ 33.1	36.6	41.8	43.1
Apples, per bu.	¢ 80.4	197.4	124.0	136.0
Beef cattle, per 100 lbs.	$ 5.55	5.07	5.51	5.55
Hogs, per 100 lbs.	$ 7.17	8.24	7.77	7.65
Eggs, per dozen	¢ 19.4	25.4	33.5	30.4
Butter, per lb.	¢ 27.5	34.7	42.3	41.8
Wool, per lb.	¢ 18.7	22.3	35.3	35.3
Veal calves, per 100 lbs.	$ 7.23	7.84	8.05	8.37
Lambs, per 100 lbs.	$ 6.34	8.87	10.69	10.83

In general, prices, at the farm, of major crops advanced a trifle. Prices of livestock products made no great change from previous month.

As to the relative position, crop prices are quite a bit higher than livestock, with a tendency for this difference to widen.

The general price level of all commodities is slowly rising. Farm products are still at a great, but slowly lessening, disparity with the general price level.

PRICE INDEXES FOR MONTH ENDING MARCH 1

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics. Shows year ago, and latest available month:

Farm Products
(Prices at the farm)

	Feb. 1922	Jan. 1923	Feb. 1923	Month Trend
Cotton	128	209	224	- - - Higher
Corn	92	119	125	- - - Higher
Wheat	149	133	134	- - - Slightly higher
Hay	107	110	109	- - - Slightly lower
Potatoes	184	101	99	- - - Slightly lower
Beef cattle	86	94	94	- - - Same
Hogs	110	104	102	- - - Slightly lower
Eggs	132	174	157	- - - Lower
Butter	129	157	155	- - - Slightly lower
Wool	133	211	211	- - - Same

Commodity Groups
(Wholesale Prices)

	Feb. 1922	Jan. 1923	Feb. 1923	Month Trend
Farm products	131	143	142	- - Lower
Food, etc.	135	141	141	- - Unchanged
Cloths & clothing	174	196	199	- - Higher
Fuel & lighting	191	218	212	- - Lower
Metals & met. products	110	133	139	- - Higher
Bldg. materials	156	188	192	- - Higher
Chemicals, etc.	123	131	132	- - Higher
House-furnishing goods	177	184	184	- - Unchanged
All commodities	141	156	157	- - Higher

RELATIVE PURCHASING POWER

(At February 1923 Farm Prices)

1913 = 100

In terms of:	Cotton	Corn	Wheat	Hay	Potatoes
	Of a Unit of:				
All commodities	143	80	85	69	63
Cloths, etc.	113	63	67	55	50
Fuel, etc.	106	59	63	51	47
Metals, etc.	161	90	96	78	71
Bldg. materials	117	65	70	57	52
House-furnishing goods	122	68	73	59	54

	Beef cattle	Swine	Eggs	Butter	Wool
All commodities	60	65	100	99	134
Cloths, etc.	47	51	79	78	106
Fuel, etc.	44	48	74	73	100
Metals, etc.	68	73	113	112	152
Bldg. materials	49	53	82	81	110
House-furnishing goods	51	55	85	84	115

The purchasing power indexes for February worked slightly lower except for a marked increase in cotton and small increase in corn.

The general index of purchasing power of farm products in terms of other commodities, as worked out by this Bureau, stood at 69 for February, an increase of one point over previous month.

In spite of various improvements in the agricultural outlook, this persistent disparity between prices of important farm products and prices of other things is a none too cheerful factor, especially at this time of year when farmers have a great deal to buy and fewer things to sell.

SUMMARY OF PRICE INDEX NUMBERS

1913 = 100

An index number cannot be assumed to show an absolutely precise position. It is however, what the term suggests, an "index" to the relative situation. In other words, it indicates the trend.

In the following, farm price indexes are made up by this Bureau; wholesale prices are the Department of Labor indexes. Purchasing power represents relationship between prices, at the farm, of farm products and wholesale prices of commodities other than farm products.

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and livestock combined	Wholesale price All Commodities	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100	100
1914	108	103	106	98	94	112
1915	110	95	102	101	97	106
1916	124	111	118	127	132	89
1917	208	164	186	177	176	106
1918	224	192	208	194	186	112
1919	234	198	216	206	195	111
1920	238	168	203	226	234	86
1921	109	107	108	147	161	67
1922	113	111	112	149	163	69
1922						
January	98	95	96	138	150	65
February	105	108	106	141	149	71
March	112	117	114	142	150	76
April	115	115	115	143	153	75
May	118	118	118	148	161	73
June	119	119	119	150	164	72
July	118	119	118	155	172	69
August	114	112	113	155	176	64
September	110	109	110	153	170	64
October	110	110	110	154	169	65
November	118	105	112	156	169	66
December	123	104	114	156	168	68
1923						
January	126	106	116	156	170	68
February	130	107	118	157	172	69

* "All commodities", excluding farm products and food.
# Expressed in terms of other products.

THE COLD STORAGE SITUATION

March 1 holdings (Figures show nearest thousand):

Commodity	5 Year Average	Mar. 1, 1922	Feb. 1, 1923	Mar. 1, 1923
Creamery butter, lbs.	23,050	22,582	16,122	8,913
American cheese, lbs.	22,820	15,006	26,593	20,709
Case eggs, cases	26	13	213	14
Total poultry, lbs.	82,542	88,710	121,632	113,475
Total beef, lbs.	218,113	73,781	114,113	102,871
Total pork, lbs.	832,819	547,450	688,924	780,457
Lard, lbs.	96,345	61,297	56,266	57,179
Lamb & mutton, lbs.	16,763	2,863	5,980	5,758
Total meats, lbs.	1,159,850	680,553	876,251	956,937
Apples, bbls.	2,901	3,090	5,376	3,870

Butter stocks low, with rather heavy out-of-storage movement during February.

Egg stocks very low. Show remarkable decrease from peak of stocks last August.

Beef stocks decreased, but pork moved into storage in some volume.

Apple stocks continue nearly a million barrels above average.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at 5 markets. Compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. Bu.	CORN Receipts Th. Bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	569,340
1922 Jan.	18,372	52,097	4,278	1,628	1,835	41,697
" Feb.	21,151	58,330	3,612	1,416	1,399	38,894
" Mar.	19,729	31,035	3,411	1,622	1,465	44,919
" Apr.	15,536	14,552	3,067	1,470	1,227	42,694
" May	29,015	27,083	3,737	1,878	1,692	68,893
" June	19,753	31,157	3,776	1,759	1,700	93,139
" July	42,128	25,975	2,980	1,709	1,677	92,829
" Aug.	59,649	24,380	3,037	2,149	1,951	62,494
" Sept.	56,992	35,296	3,062	2,373	2,303	46,419
" Oct.	49,124	32,477	3,682	2,936	3,311	41,351
" Nov.	41,510	23,925	4,421	2,427	2,288	38,678
" Dec.	46,002	37,466	5,004	1,825	1,516	38,475
" Total	418,961	393,773	44,067	23,192	22,364	650,482
1923 Jan.	38,002	38,371	5,306	1,876	1,636	48,697
" Feb.	20,176	30,518	4,490	1,426	1,366	39,877

There do not seem to be any very unusual features in the market movement of these key products during February.

Cattle receipts fell off quite markedly below the previous month, but January receipts were rather high. Same thing true of wheat.

In general, the February movement from farm to market was a fairly normal spectacle. February must be remembered as a short month with bad weather and roads.

THE TREND OF EXPORT MOVEMENT

Month	WHEAT including flour	CORN	BACON, HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON running bales
	1,000 Bushels	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1922 January	15,010	19,393	48,120	73,194	55,777	459
" February	10,992	22,052	66,003	75,520	62,647	326
" March	14,374	22,668	54,763	64,377	62,231	452
" April	10,449	18,485	43,254	42,459	48,828	602
" May	14,267	10,914	44,058	50,817	50,196	457
" June	18,195	11,646	55,621	57,249	64,124	478
" July	19,124	14,244	59,252	66,058	67,886	365
" August	38,964	12,170	51,353	68,907	60,443	269
" September	31,839	9,608	51,040	61,120	60,863	366
" October	25,077	10,149	50,340	66,333	60,651	798
" November	17,578	7,521	51,407	62,321	63,357	855
" December	16,428	4,758	65,642	78,596	76,951	606
1923 January	12,519	7,163	74,432	107,786	86,938	470
" February	______	______	______	______	______	355
7 mos. July-Jan. 1921-22	211,126	90,620	368,492	521,957	______	4,115
Same period 1922-23	161,530	65,613	404,065	511,120	______	3,729

In general, grain and cotton exports are less than a year ago.

Pork products (and meats generally), on the other hand, have been going out in heavier volume than last year.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders, fresh, canned and pickled pork, mutton and lamb.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

	1922 Feb.	1923 Jan.	1923 Feb.	Month's Trend
Production				
Steel ingots (Thou. tons)	1,995	3,717	3,337	Decrease
Bituminous coal (Thou. tons)	40,951	50,123	42,160	Decrease
Cement (Thou. barrels)	4,278	7,704	8,085	Increase
Automobiles shipped (Thou. carloads)	20	35	36	Increase
Consumption				
Cotton by mills (Thou. bales)	472	610	567	Decrease
Unfilled orders Steel Corp. (Thou. T.)	4,242	6,911	7,284	Increase
Building contracts (Millions dollars)	177	217	230	Increase
Hogs slaughtered (Thousands)	2,286	3,395	2,819	Decrease
Cattle " "	822	1,087	870	Decrease
Sheep " "	761	897	707	Decrease
Movements				
Bank clearings (N.Y.) (Billions dollars)	15	20	17	Decrease
Car loadings (Weekly av., Thousands)	769	847	848	Increase
Mail order sales (Thou. dollars)	18,198	27,407	26,178	Decrease
Unemployment in Pa. (Thousands)	308	21	18	Improved
Interest rate, Coml. Paper (60-90D)	4.88	4.63	4.63	Unchanged
Grand total exports (Millions dollars)	250	335	310	Decrease
Argentine wheat shipments (Thou. bu.)	19,213	11,525	18,263	Increase
Wholesale Price Index (Dept. Labor)	141	156	157	Higher
Food retail price index (Dept. Labor)	142	144	142	Lower
Av. price 25 industrial stocks (dollars)	86	110	115	Higher

Business moving at rapid rate. (Of course February was a short month, accounting for some of the lowered figures.) Activity approaches the nature of "boom" times and is still on the upgrade.

If one wishes to, he can take note of such little signs as the wage raise among woolen workers and southern miners, the threatened strike of Massachusetts, cotton mill workers, the rising price level of manufactured products, and so on. The little pin that finally pricks every industrial balloon is sharpened on the whirling spiral of wages, prices, and profits. But who wants to be a pessimist?

The present business boom is good for about the length of time it takes to replenish our stock of houses, railway equipment, automobiles and textiles, - say, until about next winter. It has some visible basis in the buying power of foreign countries, very little in that of our own agricultural community. It is a normal business recovery plus an unusual effort to catch up with some of the war-born shortage in permanent equipment.

THE AGRICULTURAL CREDITS ACT OF 1923

V. N. Valgren
In Charge, Division of Agricultural Finance, B. A. E.

The new credits Act consists of five parts known as Titles I, II, III, IV and V, respectively. Title I provides for the establishment of a Federal intermediate credit bank in each of the twelve Federal land bank districts. This new bank is to be located in the same city in each district in which the Federal land bank is located and is to be managed by the officers and directors of the latter bank. Each of these Federal intermediate credit banks will have a capital of not to exceed $5,000,000 which will be subscribed by the Federal Treasury. Additional funds up to ten times the capital and surplus of each bank may be obtained through the issuance of collateral trust debentures based upon discounted or purchased farmers' credit paper.

These banks are authorized to discount agricultural and livestock paper for banks and other financing institutions and cooperative organizations of producers of farm products. They may also make loans or advances direct to farmers' cooperative associations when such advances are secured by warehouse receipts or by mortgages on live stock. They are not authorized to make loans direct to individuals. In this latter respect they resemble somewhat the Federal reserve banks or the War Finance Corporation, none of which can deal with individual persons as borrowers.

The discount rate charged by these banks must not exceed by more than 1 per cent the rate paid on debentures sold and the rate to the farmer on notes or other credit paper discounted must in no case exceed the discount rate by more than 1½ per cent. The term of discount for advances must be not less than six months nor more than three years. These intermediate credit banks should serve as a new and effective channel between agricultural districts in need of capital and centers of loanable funds. The debentures which will be tax exempt and will be issued under Government supervision, should place agriculture in a position to compete for working capital on more nearly equal terms with commerce and industry than has hitherto been the case, and it should no longer be necessary for the farmer to rely on strictly short term credit for his longer intermediate credit needs.

Title II of the Act authorizes the organization of privately-financed National agricultural credit corporations to be chartered by the Comptroller of the Currency and to operate under his supervision. These corporations, when organized, may make loans direct to individuals, as well as deal in agricultural credit paper generally. It seems probable that many of the existing livestock loan companies will find it desirable to re-incorporate under the new law. Corporations so organized may also issue debentures up to ten times their paid-in capital and surplus.

Title III provides for the permanent organization of the Federal land banks under a board of seven directors, three of whom will be elected by the borrowers from the land bank and three appointed by the Federal Farm Loan Board. The seventh member who shall be chairman of the board of directors will be selected by the Federal Farm Loan Board from among persons nominated by the borrowers.

Among other changes in the Federal Farm Loan Act made by this title is the increase of the loan limit to individual borrowers from $10,000 to $25,000.

Title IV of the Act amends the Federal Reserve Act by broadening the definition of agricultural paper and increasing the term of discount on such paper from six months to nine months.

Title V of the Act extends the active life of the War Finance Corporation to February 29, 1924, and also provides for a joint commission of the two Houses of Congress to investigate the question of getting State banks more generally to become members of the Federal Reserve System and thereby place themselves in position to use the discount facilities of that system.

In general, it may be said that the Agricultural Credits Act of 1923 constitutes a broad and comprehensive program for giving farmers ample credit for such term as is required by the producers of crops and of live stock and at such cost as is commensurate with the security that the farmer has to offer. It would seem to represent an earnest effort on the part of the Federal Government to meet the just criticism so frequently heard from farmers that our banking facilities were primarily devised to meet the needs of commerce and industry, rather than those of agriculture.

CATTLE SITUATION IN MARCH

C. E. Gibbons, Livestock Marketing Division, B. A. E.

Although the cattle market has in most essential respects followed a characteristic trend during the winter season just closed it has, nevertheless, been disappointing to most cattlemen. Throughout 1922 cattle, generally speaking, lagged behind hogs and sheep. Although there was a remarkably steady advance in cattle prices during most of the year the net advance was relatively small, amounting to only approximately $1.50 per 100 lbs. for the year.

In view of the revival of general business and trade which began late in the year and has proceeded with marked acceleration up to the present time the cattleman seemed justified in anticipating this winter a certain departure from the usual course of prices - a departure which would, at least in a measure, rectify the unbalanced situation which existed with respect to cattle. It seemed reasonable to anticipate such rectification despite the fact that surveys made on December 1 and January 1 indicated from 25 to 27% more cattle on feed in the 11 Corn Belt States than a year earlier. Thusfar, however, the cattleman has been disappointed.

The average price of medium and good beef steers on the Chicago market for December 1922 was approximately $9.62 per 100 pounds; for January of this year it was $9.50; for February, $9.28 and for the first two weeks of March $9.14. Although prices at the middle of March averaged approximately $1 higher than a year earlier, it is noteworthy that they were approximately 20¢ per 100 lbs. lower than during the corresponding

period of 1921, when the effects of the deflation movement were being severely felt. It is also noteworthy in this connection that the average price of stocker and feeder steers on the Chicago market for the week ended March 17 was $7.22 compared with $7 for the corresponding week of 1922, the net advance amounting to only 22¢.

Not only has the cattle market this year adhered strictly to the rule which calls for a decline in February but the rebound of prices which usually occurs in March had not up to March 22 put in an appearance. The average price of good and medium beef steers at Chicago for the week ended March 17 was not only the lowest of the season to date but represented the lowest point reached since the second week of last October.

It is not easy to state with assurance the exact reason for this tendency of the cattle market to lag behind and to run counter to not only the market for other meat animals but also the general trend of commodity prices. The following facts, however, may be of value.

The customary February break is largely accounted for by the fact that that month marks the beginning of the Lenten season when beef consumption throughout the country is sharply curtailed.

Receipts of cattle at public stock yards from December 1, 1922 to March 17, 1923 showed an increase of approximately 15%. The average quality during at least a part of this period was relatively good and average weights of animals somewhat higher than a year earlier. This would logically result in an increase in the relative quantity of beef produced.

Shipments of stocker and feeder cattle back to the country during February were nearly 14% less than a year ago and approximately 7% under the five year average. Such shipments during the first two weeks of March were also lighter than for the corresponding period in 1922. This forced the bulk of the increased receipts to go to the shambles which accounted for an increase of 13 to 15% in slaughter during the first two months of the current year.

It might be argued that the marked increase in general prosperity throughout the country should have been sufficient to sustain cattle prices despite these rather moderate increases in beef produced. This argument carries additional weight when the fact is noted that hog prices have been maintained despite an increase of more than 24% in the number marketed and of 30% in the number slaughtered during the first two months of 1923.

The only answer to this apparent anomaly which comes to mind is that although employment is now general and wages are relatively high, this condition has prevailed for only a comparatively short time. Apparently the forced economies which a large part of the population practiced during 1921 and most of 1922 have not as yet been wholly abandoned. During periods of financial and industrial depression the swine man usually enjoys relatively greater prosperity than the cattle or sheepman because of the shift of consumptive demand to pork. This condition seems still to exist despite our recent prosperity.

As to the future the cattleman appears in a relatively strong position despite the contrary course of his market at the moment. Beef is still a prosperity meat. So far as can be learned potential supplies of cattle are not excessive and when the average consumer has paid up his bills which accumulated during the period of depression and has become a little more accustomed to his newfound prosperity it seems reasonable to expect the consumption of beef to increase. It may easily occur that

although the cattleman has been compelled to defer his laughing he may indulge in merriment after others have passed the mood. The chief element of danger in such a forecast, however, consists in the possibility of hogs dropping so low that beef cattle will be dragged down with them.

PLAN FOR MORE OR FEWER HOGS NEXT FALL?

C. V. Whalin
In Charge, Marketing Livestock Division, B. A. E.

(Mr. Whalin was asked this question, "From the standpoint of the production and market situation, is it advisable to plan for more or fewer hogs next fall?")

Is it advisable to plan for more or fewer pigs next fall? This question means, should farmers prepare to market more hogs in the spring and summer, 1924 than during the same season this year. So much depends on the development in general economic conditions at home and abroad that it is very difficult to make a safe prediction so far ahead, especially since so many fundamental and influencing factors are quivering in the balance. We do not know what Europe will do. We do not know whether this year will produce a bumper corn crop or not. We do not know whether the present upward trend of prices for farm and manufactured products will be steady for a full year and longer of prosperity and employment with advanced wages. The solution of the hog problem depends on these factors.

I should answer this question in the negative. The coming fall farrowings should be neither increased nor decreased as compared with those of last fall.

The packing industry is not moving its hog products at satisfactory prices. Packers in striving for the desired margin will tend to be bearish on hog prices.

An era of domestic prosperity does not hold glowing promises for the hog producer. Beef and mutton are the meats for periods of prosperity,full employment and highwages. Pork products are the poor man's best mainstay and he promptly shifts to red meats when he has money.

Another factor to remember is that prosperity and attendant advancing prices for manufactured products and products that the farmer must buy, is likely to reduce the purchasing power of the farmer's dollar. His corn and hog dollars with slightly lower or even steady market prices will not be as big as their apparent face values. An increased supply of hogs next year will certainly bend the price curve further downward both actually and much more in terms of the farmer's dollar. A decreased supply in all probability will produce an actual upward market price curve and make a more steady curve of the purchasing power of the farmer's dollar. A supply comparable with this year will hardly be in favor of the farmer. It would come more nearly in the category of a gambler's chance.

From the foregoing it would appear that I have argued for a decrease in next fall farrowings as compared with last fall and that is the safest game for the farmer to play. I feel that the farmer can afford to rest his efforts one year on last fall's basis, watch developments and make definite plans for changes thereafter when conditions, no doubt, will be more settled.

QUICK SUMMARY OF SITUATION OF CERTAIN PRODUCTS

WHEAT

U. S. acreage in 1922 - - - - - - - - - - - - - - - -	61,230,000	Acres
" " " " 1921 - - - - - - - - - - - - - - - -	63,696,000	"
" " " " 1920 - - - - - - - - - - - - - - - -	61,143,000	"
" " " " 10 year average (1910-19)- - - -	53,412,000	"
U. S. production in 1922- - - - - - - - - - - - - - -	856,211,000	Bushels
" " " " 1921- - - - - - - - - - - - - - -	814,905,000	"
" " " " 1920- - - - - - - - - - - - - - -	833,027,000	"
" " " " 10 year average - - - - - - - -	779,560,000	"
Yield per acre 1922 - - - - - - - - - - - - - - - - - -	14.0	"
" " " 1921 - - - - - - - - - - - - - - - - - -	12.8	"
" " " 1920 - - - - - - - - - - - - - - - - - -	13.6	
Wheat exports (including flour) 7 months July 1922 - January 1923- -	161,529,562	"
Wheat exports same period previous year - - - - - -	211,125,610	"
Acreage winter wheat planted last fall- - - - - -	46,069,000	Acres
" " " " previous fall- - - -	47,611,000	"

Stocks wheat on farms Mar. 1, 1923 = 153,134,000 Bu. or 17.9% of crop
" " " " " " 1922 = 131,253,000 " " 16.5% " "
" " " " " " 1921 = 217,037,000 " " 26.1% " "
" " " " 10 year average was about - - - - 19.2% " "

Wheat is subject not only to the uncertainties of the weather but to those of world-wide market and competition. Barring a crop failure, we usually produce a surplus, and probably will this year.

There is nearly as much winter wheat in the ground as a year ago. Aside from drought in the West and some frost damage, the stand looks moderately good so far.

Europe is not a very affluent buyer in these times. However, the world wheat supply and demand have been closely balanced for two years. We shall arrive at July 1 this year with many countries scraping the bottom of the bin. The general outlook gives no promise of high prices; neither will it wholly dismay the men who can grow wheat <u>at low costs</u>.

CORN

Acreage in 1922	102,428,000	Acres
" " 1921	103,740,000	"
" " 1920	101,699,000	"
" 10 year average (1910-19)	105,896,000	"
Production in 1922	2,890,712,000	Bushels
" " 1921	3,068,569,000	"
" " 1920	3,208,584,000	"
" 10 year average	2,765,041,000	"

Stocks of corn on farms March 1, 1923 = 1,087,412,000 Bu. or	37.6%	of crop
" " " " " " " 1922 = 1,305,559,000 " "	42.5%	" "
" " " " " 10 year average =	36.6%	" "
Average farm price per Bu. Mar. 1, 1923	74.3¢	
" " " " " " " 1922	54.8¢	
Per cent of 1922 crop merchantable	88.3%	
" " " 10 year average crop merchantable	80.1%	
Exports corn 7 mos. July 1922 - Jan. 1923	65,613,000	Bushels
" " same period previous year	90,620,000	"

Probably the most direct influence in the corn situation is the fact that corn prices are nearly 50% higher than a year ago.

The big market for corn is among farmers, - 85% of the crop is fed to livestock. The question is, what will be the position next fall of those men who are the heavy users of corn?

Hogs and cattle have found a moderately strong market ever since last summer. Export of pork products fell off only about 9% in 1922 below previous year, while apparent domestic consumption increased about 10%. Our own domestic buying power seems to hold the real key to the situation. So far, it looks good for the year. Beyond next fall, however, it is hard to tell what may happen.

Seventy cent corn may tend to stimulate the acreage a little. The thing to remember, however, is that most surplus corn must sell at a rough parity with meat animals - hogs in particular. We have just had one season of heavy feeding. Whether the demand for meat will stimulate another such year is quite problematical, though it is a possibility. A lowered yield of corn is also a possibility.

POTATOES

Acreage in 1922	4,331,000	Acres
" " 1921	3,941,000	"
" " 1920	3,657,000	"
" 10 year average (1910-19)	3,836,000	"
Production in 1922	451,185,000	Bushels
" " 1921	361,659,000	"
" " 1920	403,296,000	"
" 10 year average	366,027,000	"
Average price per bushel at farm Dec. 1, 1922	58.2¢	
" " " " " " Mar. 1, 1923	63.6¢	

Stocks reported March 1, 1923 = 152,117,000 Bushels or 42.4% of crop
" " " " 1922 = 102,764,000 " " 35.4% " "

Now available for shipment out of county where grown, about 60,000,000 Bu.

For fifty years the production of potatoes has been a periodic see-saw between large and small crops. A year of good prices stimulates increased acreage. Given normal weather, production also increases and the price usually declines. Usually, a high price year is followed by about two years of heavy production, and then a low price by about two years of decreased production. Human nature coupled with the customary utilization of potato seed and fields seem to require about two years to readjust. In very many years the readjustment is overdone.

We have just had a year of heavy production and low prices. It has been particularly hard on the western growers who are a long distance from markets.

This country seems to consume, on the average, about 3.6 bushels of potatoes per person. As we have little foreign trade in potatoes, this means that our production must gradually expand somewhat, which it is doing. This last season we produced about 4.1 bushels per capita. In 1919, a year of high prices, we produced only a trifle over 3 bushel per capita.

The problem now is how many potatoes to plant this spring. Prices are discouraging. Nevertheless, potato growers have a lot of cheap seed on hand. That is usually the case when prices are low and partly explains the two-year cycle.

There is little evidence of sudden wealth acquired by farmers who "plunge" on potatoes. The men who make money are those well situated as to soil, markets, etc., who consistently plant about so many acres every year. They play the game steadily, taking losses as well as winnings, but in the long run making money. There is no such thing as knowing exactly when to plant and when not to. The big thing is to know how to produce efficiently - that is, at the lowest cost per bushel. There is likely to be some reduction in acreage this spring, but the only certain winners will be those who reduce their costs of production.

HOGS

Number swine on farms Jan. 1, 1923	63,424,000
" " " " " " 1922	57,834,000
" " " " " " 1921	56,097,000
" " " " 10 year average	64,437,000
Average farm value per head Jan. 1, 1923	$11.46
" " " " " " " 1922	$10.07
" " " " " " " 1921	$12.97
Export bacon & hams & shoulders 7 mos. July'22 - Jan.'23	404,065,406 lbs.
" " " " same period previous year	386,492,028 "
" " " " January, 1923	74,432,000 "
" " " " " 1922	48,120,000 "
Export lard 7 mos. July'22 - Jan.'23	511,120,201 "
" " same period previous year	521,957,408 "
Receipts of hogs at primary markets Feb. 1923	4,490,000
" " " " " " " 1922	3,612,000
Local slaughter of hogs Feb. 1923	2,819,000
" " " " " 1922	2,286,000

"Briefly, hog prices look lower for the early half of the year with good prospects for a slight advance and a steady market during the late summer and early fall, and increased supplies and declining prices at the close of the year. The slight advance on choice hogs which is expected to occur during the late summer will probably be offset by heavy marketings of heavy rough sows. Should that occur the advance will not be so apparent when included in averages."

The general situation is that we have more hogs in the country than a year ago. However, the foreign market is fairly strong and our domestic consumption of pork products has increased. The prospect of prosperity in the industrial centers indicates that this will continue for a time. It is probable that the South will be a heavy buyer of northern pork and lard next fall. Beyond next fall, nobody has much idea what may happen to the hog market.

SHEEP AND WOOL

Number sheep on farms Jan. 1, 1923	37,209,000	
" " " " " " 1922	36,327,000	
" " " " 10 year average	55,519,000	
Estimated production of wool 1922	261,000,000	lbs.
" " " " 1921	274,000,000	"
" " " " 1920	278,000,000	"
" " " " 1919	298,000,000	"
Wool consumption 1922	691,875,000	"
" " 1921	650,338,000	"
Imports of wool first 10 months 1922	303,894,234	"
" " " " " " 1921	297,199,503	"
" " " October (40 days) 1922	25,260,513	"
" " " " 1921	9,085,706	"
Market receipts sheep and lambs Feb. 1923	1,365,985	
" " " " " Feb. 1922	1,399,000	

For fifteen or twenty years prior to the war sheep and wool prices lagged woefully behind the general price level. Since 1914, we have seen alternately a boom in wool, an over-supply and stagnation, and now something like another boom.

The cities are eating more lamb than they used to. At the moment, however, statistics of production and movement make it look as though there might be a rather large supply of lambs back in the country. These may have been held to be clipped and ewe lambs to be raised. But fed lambs will have to be marketed in the next two months or so and meanwhile they are getting heavier, while the market for heavy lambs is none too strong.

The outlook for wool appears to be favorable for a year or two at least. The country must replenish large stocks of woolen goods and for the present buying is active. The protective tariff is an important factor to the wool producer.

Over a long-time period, however, sheep are apparently a declining industry in this country. It is a case wherein we have to compete with the outlying regions of the world where grazing is still paramount. It is just as well to keep this in mind, even though the immediate trend is very favorable.

BUTTER AND MILK

Number milk cows on farms Jan. 1, 1923 - - - - - - - - -	24,429,000
" " " " " " " 1922 - - - - - - - - -	24,082,000
" " " " " 10 year average - - - - - - -	24,122,000
Value milk cows per head, Jan. 1, 1923 - - - - - - - - -	$50.83
" " " " " " " 1922 - - - - - - - - -	$50.98
Gallons milk sold from farms 1922- - - - - - - - - - - - -	3,780,000,000
" " consumed on farms 1922- - - - - - - - - - -	3,329,000,000
" " total consumption 1922- - - - - - - - - - -	7,109,000,000
Gallons milk sold from farms 1921- - - - - - - - - - - - -	3,772,000,000
" " consumed on farms 1921- - - - - - - - - - -	3,292,000,000
" " total consumption 1921- - - - - - - - - - -	7,064,000,000
Butter made on farms 1922 (lbs.) - - - - - - - - - - - -	625,000,000
" " " " 1921 " - - - - - - - - - - - -	650,000,000

(Production of creamery butter has increased, but total figures for 1922 are not available.)

Dairy production usually seems to tread close upon the heels of the market's consuming capacity. Whether per capita consumption will be further materially increased remains to be seen. Probably it will be relatively heavy while the industrial population is prosperous. Market demands for milk and butter tend to move up and down in rather long swings.

Many men in the North and West have turned to dairying during the last three years. It is not an industry that returns much to transients. It is one of the most conservative types of farming. Time is required to build up a profitable herd of cows - no matter how high milk prices are.

At present, demand for dairy products is fairly good. But production is heavy and increasing. Here again, taken by and large, the farmer must apparently go after the added dollar by raising his efficiency in production. In other words, better bulls, better cows, better feeding, better care. Prices are only part of the story of profits in dairying.

CHICKENS AND EGGS

		Millions	
Number chickens on farms Jan. 1,	1919	347	
" " " " " "	1920	360	
" " " " " "	1921	386	
" " " " " "	1922	412	
" " " " " "	1923	428	

		Millions	Av. farm value per chicken raised
Number chickens raised during	1919	473	82¢
" " " "	1920	490	86
" " " "	1921	510	71
" " " "	1922	543	65

		Millions	Av. farm price per doz.
Dozens of eggs produced during	1919	1,654	41¢
" " " " "	1920	1,712	44
" " " " "	1921	1,837	29
" " " " "	1922	1,962	25

Production is steadily increasing. However, the per capita production of eggs has increased only moderately in the last fourteen years. Consumption has undoubtedly increased also.

From a long-time viewpoint the poultry industry is by no means in bad situation. The price of eggs at the farm this spring has averaged higher than a year ago. The farmer has been receiving for eggs relatively a high price compared with most of his staple food products. Overproduction is easily accomplished, however.

The trend of grain feed costs is slowly upward. Speaking of the country as a whole, expansion of the poultry flock is very doubtful policy this spring. But every move in the direction of better breeding, more careful culling, and more economic feeding is so much clear gain on the production end.

"Apparently there may be danger of over-production of eggs, particularly in the West. The danger in New York for the best grades of eggs would appear to be less. During the early part of the Civil War there was a period of depression in poultry production similar to that which occurred in 1918. Following the Civil War the general average price of eggs was good for a number of years, possibly because wages remained above the general price level." (Quotation from Cornell Bulletin 416 by G. F. Warren.)

COTTON

Acreage 10 year average (1910-19)	34,646,000 Acres
" in 1922	33,742,000 "
U. S. production 10 year average	12,870,000 Bales
" " " 1922	9,729,000 "
World stocks American cotton July 31, 1922	5,123,000 "
Total supply 1922-23	15,087,000 "
Estimated consumption 1922-23	12,312,000 "
Apparent stocks July 31, 1923 (by deduction)	2,775,000 "
Average world consumption of American cotton 1912-'17	14,300,000 "
" " " " " " 1915-'22	12,250,000 "
Consumption of American cotton in foreign countries year ending July 31, 1922	6,600,000 "
Consumption of American cotton in foreign countries year previous	5,500,000 "
Exports of cotton 7 months Aug. 1922-Feb. 1923	3,717,000 "
" " " same period previous year	3,845,000 "
" " " February, 1923	355,000 "
" " " " 1922	326,000 "

Almost everybody on the producing end appears to be optimistic as to cotton prices. Certainly there is no gainsaying the modest size of world stocks compared to normal world demand.

The United States produces cotton to sell. We have used only about half the crop at home in most years. Our big customers have been England, Germany, France, Italy, and Japan. Of these, England and Japan remain as good buyers. Continental Europe has not its former buying power; exports of cotton to it have not been up to pre-war figures.

American mills have been relatively heavy users of cotton in recent months. They have been active bidders in the market almost constantly. Prices have moved steadily upward.

While the demand for cotton goods is strong at present, it is conceivable that prices may reach a point where buying will be curtailed. With raw material supplies so low the whole situation is sensitive. A flurry in the market or a big mill strike or cancellation of a few big retailer's contracts might create considerable disturbance. There are, in other words, factors on both sides of the fence.

In general, however, the cotton situation is strong from producers' standpoint. The greatest limiting factors are the weather and the boll weevil. Well-posted men seem to think that a thirteen-million-bale crop could be absorbed by the markets at good prices. The problem is to produce it.

ARE ANY CHANGES ADVISABLE THIS YEAR IN THE CROP ACREAGES OF THE TYPICAL COTTON BELT FARM?

C. L. Goodrich
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The present high price of cotton, the need for an increased production of cotton to meet probable demand for the crop that is now being planted, to satisfy consumers, and to replenish diminishing stocks, together with the prospect for a good price for the new crop, will have a strong influence on many cotton farmers to plant heavily of cotton, even beyond their ability to properly care for and pick the crop, and to the exclusion of everything else, including family supplies and farm feeds, which he will expect to buy.

This will be a mistake. The cotton farmer who has not been producing enough vegetables, milk, eggs, chicken and hog meat, and syrup, for the welfare of the family, and who has not been growing the grain and roughage needed for the proper feeding of the family cows, pigs, and chickens, and the farm work stock, should increase the acreage of crops necessary for this purpose. He should also give serious consideration to the planting of crops for soil improvement.

After providing for the farm, then these farmers should plan to plant as many acres of cotton as can be cared for properly and harvested early with the available farm equipment, and such outside assistance as may be relied upon. This care involves thorough preparation, tillage, proper application of fertilizers and manure, thorough cultivation, and thorough and persistent combative measures against the boll weevil and other insects and destructive diseases.

This has been the practice of those cotton farmers who have been more uniformly successful through years of large crops and short crops of high and low prices, through years of good and bad cotton weather, and through light and heavy attacks of destructive insects and diseases. This practice is necessary for consistently stable and successful cotton production.

After providing for the farm needs and such acreages of cotton as could be well cared for, these more successful men have added other enterprises to make use of unutilized land and labor. Such enterprises were, increase of acreages of food and feed crops for sale, or for the purpose of adding some productive livestock enterprise, or some more intensive enterprise, such as syrup-making, or truck growing, etc.

The available labor and machinery supply will be the main factors in many sections that will determine the acreage of cotton and other crops planted.

In regions where labor and machinery are available, particularly hoeing and picking labor, in view of the increased cotton production needed, those farmers who have been growing secondary sale crops in addition to cotton, can, with profit, substitute cotton for a part of all of these secondary crops.

It will probably pay every farmer to work intelligently and judiciously for increased yields per acre by the use of manure and fertilizers, and by combating the boll weevil.

In areas where there is a growing scarcity of labor, particularly hoeing and picking labor, it may be necessary to reduce the acreage of cotton. These farmers should pay particular attention to increasing yields of such cotton as they will be able to plant and harvest.

These farmers will do well to increase the acreages of feed crops that can be handled largely by machinery or can be grazed off by livestock.

The prospective price for cotton will undoubtedly lure many farmers to plant cotton to the exclusion of feed and supplies, which will have a tendency to increase market demand for farm supplies and make them more profitable.